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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

E
92-2255

(X) QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-11968

COSMO COMMUNICATIONS CORPORATION
(Exact name of registrant as specified in its charter)

FLORIDA	59-2268005
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
16501 N.W. 16th Court, Miami, Florida	33169
(Address of principal executive offices)	(zip code)

(305) 621-4227
(Registrant's telephone number including area code)

Not applicable
Former name, former address, and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) and has been subject to such filing requirements for the past 90 days.

Yes X No _____

5,060,00 shares of the issuer's Common Stock were outstanding as of the latest practicable date. May 14, 1992.

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COSMO COMMUNICATIONS CORPORATION

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PART I - FINANCIAL INFORMATION

Item I. Financial Statements

The registrant represents that the Consolidated Financial Statement furnished herein have been prepared in accordance with generally accepted accounting principal applied on a baris consistent with prior years and that such Consolidated Financial Statements reflect, in the opinion of the management of the Company, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position of the Company and its subsidiaries, as of March 31, 1992 and the result of their operations of the three months then ended.

COSMC COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

ASSETS

	March 31, 1992	December 31, 1991
CURRENT ASSETS		
Cash, including interest bearing deposits	$267,213	$555,000
Receivables-		
Trade, less allowance for doubtful accounts of $ 275,000 at December 31, 1991 and $214,903 at March 31, 1992	1,391,139	1,126,000
Inventories	2,927,273	3,231,000
Prepaid expenses and deposits	57,247	83,000
Total current assets	$4,642,872	$4,995,000
PROPERTY AND EQUIPMENT, at cost	$3,567,667	$3,424,000
Less-Accumulated depreciation	<1,807,949>	<1,595,000>
PROPERTY AND EQUIPMENT, NET	$1,759,718	$1,829,000
OTHER ASSETS	717,642	819,000
TOTAL	$7,120,232	$7,643,000

The accompanying notes to consolidated financial statements are an integral part of these balance sheets.

COSMO COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 1992	December 31, 1991
CURRENT LIABILITIES:		
Acccounts payable and acrrued expenses	$ 923,850	$ 1,292,000
Credit facilities	4,720,583	4,485,000
Due to principal shareholder	667,500	602,000
Other	0	78,000
Total current liabilities	$6,311,933	$6,457,000
LONG-TERM DEBT	565,782	570,000
Total liabilities	$6,877,714	$7,027,000
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common Stock, $.01 per value, 10,000,000 Share authorized, 5,060,000 shares issued and outstanding at March 31, 1992 and December 31, 1991	$51,000	$51,000
Additional paid-in capital	23,877,000	23,877,000
Accumulated defecit	<21,667,221>	<21,242,000>
Cumulative transaction adjustment	<2,070,000>	<2,070,000>
TOTAL SHAREHOLDERS' EQUITY	$ 190,779	$ 616,000
	$7,120,232	$7,643,000

The accompanying notes to consolidated financial statements are an integral part of these Financial Statements.

COSMO COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 1992 AND 1991

(Unaudited)

	Quarter ended March 31 1992	1991
SALES	$2,046,180	$ 2,856,000
COST OF SALES	1,499,151	2,165,000
Gross margin	$ 547,029	$ 691,000
SELLING EXPENSES	$ 196,792	$ 383,000
GENERAL & ADMINISTRATIVE EXPENSES	618,954	657,000
Income/(Loss) from operations	$<268,717>	$ <349,000>
OTHER INCOME (EXPENSE):		
Interest expenses	$<112,309>	$< 206,000>
Interest income	7,147	23,000
Income/(Loss) on Currency Transactions	<38,213>	0
Other, net	< 13,128>	< 10,000>
	$<156,504>	$< 193,000>
Net Income/(Loss)	$<425,221>	$< 542,000>
INCOME/(LOSS) PER SHARE	$< 0.08>	$< 0.11>
SHARES OUTSTANDING (AVERAGE):	5,060,000	5,060,000

The accompanying notes to consolidated financial statements are an integral part of these balance sheets.

CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Quarter Ended March 31, 1992
Cash Flows from Operating Activities:	
Loss before extraordinary item	
Extraordinary item	
NET LOSS	$ <425,000>
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation & Amortization	56,000
(Gain) loss on sale or disposal of property and equipment	
(Gain) loss on foreign currency transactions	
Decrease in accounts receivable, net	265,000
Decrease in inventories and prepaid expenses	<329,000>
Increase (Decrease) in accounts payable, accrued expenses and other current liabilities	<145,000>
Other, net	
Net cash provided by operating activities	578,000
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property & equipment	
Proceeds from sale of property & equipment	0
Net Cash used by Investing Activities:	0
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net increase in credit facilities and long-term debt repayments	235,000
Net increase in due to to principal stockholder	66,000
Net cash used by financing activities	301,000
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	45,000
Decrease in cash and cash equivalents	<287,787>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	555,000
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	267,000
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash paid during the year for interest	119,000

See notes to consolidated financial statements.

COSMO COMMUNICATIONS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1992

(Unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES:

The accompanying policies followed by quarterly financial reporting are the same as those disclosed in Note 1 of the Notes to Consolidated Financial Statements included in the Company's 10K Report for the Fiscal Year ended December 31, 1991.

2. INVENTORIES:

Inventories as stated at the lowest cost (first-in, first-out) or market Inventory at March 31, 1992 and December 31, 1991 consisted of the following:

	March 31, 1992	December 31, 1991
Raw materials	$167,000	$167,000
Work-in-process	0	0
Finished goods	2,760,273	3,064,000
TOTAL	$2,927,273	$3,231,000

3. EARNINGS PER SHARE:

Primary earning per common and common equivalent share for 1992 and 1991 were computed based upon the weighted average number of common and common equivalent shares outstanding during the period.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors which have affected the Company's financial condition and results of operation during the period included in the accompanying consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

Working capital was approximately ($1,669,000) at March 31, 1992, a decrease of approximately $207,000 from December 31, 1991. The ratio of current assets to current liabilities at March 31, 1992, was .7 to 1 as compared to .8 to 1 at December 31, 1991. The decrease in current assets is primarily the result of the losses incurred during first quarter of 1992. The Company has met its working capital requirements primarily from internally generated funds and secondarily from short-term borrowing and certain limited financing provided by the Company's principal shareholder.

During 1989, the Company secured a two-year revolving credit facility with Congress Financial Corporation of up to a maximum of $14 million expiring on October 30, 1991, to replace a similar previously existing domestic credit arrangement. This credit facility is secured by all assets of the Company including a second mortgage on the Company's headquarters in the United States. Regardless of the maximum credit facility of $14,000,000, borrowings were tied by formula to eligible accounts receivable and inventories. Interest is charged on outstanding borrowings at prime (6.5% at December 31, 1991) plus 3-1/2%. At March 31, 1992 and 1991, borrowings outstanding under domestic credit facilities amount to $4,108,000 and $5,686,000 respectively.

The revolving credit facility with Congress Financial Corporation contains certain restrictive covenants. The most restrictive covenants relate to minimum net worth and working capital requirements. These covenants have not been met; however, the lender has waived all of its rights to demand payment with respect to these covenants through December 31, 1992. The Company is not expected to meet these covenants on December 31, 1992. Such credit facility is classified as a current liability.

Subsequent to year end 1990, the terms of the revolving credit facility with Congress Financial Corporation were modified as follows: maximum borrowings were reduced to a maximum of $7,500,000 subject to a borrowing formula based on eligible accounts receivable and inventories; interest charged on outstanding borrowings at prime plus 3.5% and the expiration date of the credit facility was extended to December 1992.

The Company utilizes an overseas overdraft and trade financing credit facility. Maximum borrowings under this facility are approximately $500,000 to cover bank overdrafts and $500,000 for trade financing (letters of credit). Interest on borrowings range from the local prime rate (9% at December 31, 1991) to 1-1/2% over the local prime rate. The facility is secured by short term bank deposits of approximately $510,000. At March 31, 1992 and 1991, total borrowings under the facility amounted to approximately $440,000 and $771,000 respectively.

Management believes its plans for 1992 and beyond, together with its capital base and the support from the principal stockholder, will provide the financial resources to continue its operations and return to profitability, although operating losses may result in the short term.

FINANCIAL DIFFICULTIES AND MANAGEMENT PLANS

The Company has incurred significant losses during the last seven fiscal years. The Company's shareholder's equity at December 31, 1991 was $616,000. During 1990 and 1991 the Company implemented certain steps to reduce or eliminate its continuing losses. These steps were effective in reducing losses. These steps included the reduction of overhead, including significant reductions of personnel and the elimination of most of its inventory of electronic products other than time products (clocks and clock radios).

The Company has fully implemented these steps and it hopes that these steps will eliminate the losses that the Company has experienced in the last seven years. However, the ability of the Company to reverse these losses will depend on a number of factors which it cannot control. These include the ultimate success of the steps that were implemented, the achievement of a stronger demand for the Company's time products both domestically and internationally, regaining its prior market position with certain key customers, the recovery of the retail market in the United States for the Company's products, the ability of management to accurately predict future consumer trends for time products, and the ability of the Company to finance the implementation of these steps and any growth that these steps may generate.

Management of the Company belives that its current working capital, its limited stockholders equity, a commitment by the principal shareholder to advance certain funds at his discretion and its exisiting credit facilities should be sufficient to finance the Company during its 1992 fiscal year. However, if the economy and the retail environment in the United States and Canada do not recover in 1992 or if the Company is unable to reverse these losses for any reason or fails to maintain adequate financing for its operations, the Company will find it difficult to operate.

Management recognizes that it cannot predict with accuracy if and when the Company will be able to eliminate its losses and return to profitability. The steps that the Company has implemented will continue throughout 1992. The Company anticipates at the present time a break-even or small profit in 1992. However, depending on economic and other factors, this estimate may change.

SALES

Sales for the first quarter of 1992 decreased by $809,820 compared to the corresponding period in 1991. Sales decreased primarily because of an over-all weak market and demand for the products of the Company and the Company's decision to eliminate most of its electronics products (other than time products).

COST OF SALES AND GROSS MARGIN

Gross margin as percentage of sales increased by 3% in the first quarter of 1992 compared to the same period in 1991, due to the Company's decision to emphasize the sale of time products at higher margins.

OPERATING EXPENSES

Operating expenses for the first quarter of 1992 decreased $224,000 as compared to the corresponding period in 1991, mainly due to lower sales and the impact of cost cutting measures implemented by management.

INTEREST AND OTHER COSTS

Interest expenses decreased by $94,000 in the first quarter of 1992 as compared to the corresponding period in 1991, mainly due to lower interest rates and a reduction in the outstanding loans to financial institutions.

NET INCOME AND LOSS

Net loss for the quarter ending March 31, 1992 was $425,221 compared to a net loss of $542,000 for the same quarter in 1991.

SIGNATURE

Pursuant to the requirements to the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned - thereunto duly authorized.

COSMO COMMUNICATIONS CORPORATION

Date: May 14, 1992

/s/ Amancio V. Suarez
Amancio V. Suarez
Chairman of the Board